

CHARTER AGENCY AGREEMENT
BETWEEN
THE GOVERNOR OF THE STATE OF IOWA
AND THE
IOWA DEPARTMENT OF HUMAN SERVICES
REVISED 1-4-05

The Department commits to achieving the following results in terms of performance measures and special projects:

Departmental Performance Targets

1. Implement Preferred Drug List (PDL) in Iowa Medicaid and through this save a total of \$4 million in Iowa Medicaid in 2005.
2. Reduce Medicaid costs by \$1 million by the end of FY06 by implementing disease management as part of the Iowa Medicaid Enterprise initiative to improve the health status of customers.
3. By June 30, 2005, increase the number of currently eligible Iowans receiving food and nutrition benefits by 8% from the June 2004 number.
4. Increase Medicaid federal fund access for Iowa's public schools by 5% from the SFY04 contribution of \$5,348,926.
5. Increase the percent of children who do not re-enter foster care within 12 months of their last foster care episode to 80% by end of FY05 and 82% by end of FY06.
6. Increase the percent of all children in Iowa who are safe from re-abuse for at least six months following a confirmed report of neglect or abuse to 89.25% by the end of FY05 and 89.7% by the end of FY06.
7. Increase the number of children enrolled in hawk-i by 11.8% percent (to 19,212) from FY04.
8. To maintain Iowa child welfare system improvements in Federal Title IV-E eligibility made during FY04.

Departmental Special Projects

1. Conclude analysis and implement the redesign of the child welfare system, as appropriate and planned during FY05, with a continued focus on the most at risk children. Project implementation will include:
 - a. Expansion of the Community Partnerships for the Protection of Children Initiative rollout during FY05, FY06, and FY07 as funded.
 - b. Expansion of Family Team Decision Meetings as a primary mechanism for engaging families served, starting with a target population of children age 0-5 who are victims of child abuse.
 - c. Streamlining case flow activities will be started during FY05 and implemented by end of FY06.
 - d. A quality assurance system will be developed and started during FY05
 - e. Implement the identified Minority Children and Families pilot projects and statewide training during FY05.
 - f. An outcomes-based purchasing system that includes performance measures and tools to collect and report data will be developed during FY05. First reports of results will be issued starting in FY06.
2. Assist with leadership of Lt. Governor's Mental Health and Developmental Disabilities Commission including redesign as it pertains to children and youth.
3. Lead and advocate for necessary changes in Iowa code and regulations, and allocation of sufficient financial resources to enable Iowa's children and youth with major behavioral health needs to be able to access needed services without requiring parents to relinquish child custody and/or seek a Child In Need of Assistance (CINA) petition.
4. Work in conjunction with the Department of Elder Affairs, Department of Inspections and Appeals, and Department of Public Health to devise and support changes in Iowa's long term care system that will result in the creation and expansion of additional home- and community-based services thereby lessening the need for and reliance on institutional care for a segment of the population. Seek Foundation and federal grants to further this effort.
5. Implement the executed agreement with the Department of Justice for each of Iowa's Resource Centers for people with developmental disabilities.
6. Develop and implement a Call-Center to support the expansion of the food assistance program in Iowa utilizing non-general funds.
7. Fully implement the Iowa Medicaid Enterprise and new contracts by June 30, 2005.

Charter Agency Benefits and Flexibilities

The Governor and Lt. Governor pledge their support to the Charter Agencies success, and recognize the Department of Human Services and Director Kevin Concannon are stepping above and beyond expectations in their willingness to become a Charter Agency. The Agency will have the following benefits and flexibilities. These benefits and flexibilities do not supersede the requirements of the Accountable Government Act.

The Department of Management (DOM) will assure that Charter Agencies:

1. May apply to receive grants from the remaining funds in the Charter Agency grant fund.
2. Retain 50 percent of unspent year-end General Fund appropriation (from agency operations) balance for five (5) years, beginning with fiscal year 2004.
3. Are exempt from across-the-board General Fund appropriation cuts for fiscal year 2005.
4. Retain 80 percent of all new revenues generated subject to statutory compliance. If the current practice permits retaining greater than 80% of new revenue, the current practice is permitted.
5. May work with the Department of Administrative Services (DAS) and Public Strategies Group (PSG) to develop and implement pilot projects.
6. Benefit from DOM support of legislative changes to further enhance Charter Agency ability to simplify administrative processes and generate revenue.
7. May actively market program-related goods and services to Iowans and seek alternate and innovative revenue sources.
8. May charge other governmental agencies for services, following DOM consultation with DAS that indicates the DAS lacks the capacity to provide the service.
9. May propose increases in fees that are commensurate with and directly related to improving services to citizens.
10. May reduce copying and paperwork expenses via use of electronic signatures, record keeping, and transactions where legal authority permits.
11. Are exempted from appropriated full-time equivalent (FTE) limitations for a period of five (5) years, beginning with fiscal year 2004.
12. May evaluate existing “outsourced” state work activities for cost-effectiveness and service delivery quality.

[DAS Human Resources Enterprise-related]

13. May convert PEO (Merit Resources) positions to state FTEs, consistent with collective bargaining agreements and Human Resource Enterprise (HRE) rules.
14. May change the status of “direct report” managerial positions to “at will” positions. Affected employees must agree to the change voluntarily in writing for the change to occur.
15. May increase overlap employment days.
16. May add interns to their workforces.
17. May award “exceptional job performance (performance bonus)” pay to non-contract covered employees or to contract covered employees with the approval of the labor union. This applies to individual employees as well as to employee “teams.”
18. May award “special-duty” pay or “extraordinary duty” pay. Special duty pay applies when an employee is temporarily assigned to a vacant position in a higher class. Extraordinary duty pay applies when an employee is temporarily assigned work duties in a higher class.
19. May create any position in any classification provided that duties are consistent with established classification and filled in compliance with collective bargaining agreements and HRE rules.
20. May award increased pay for increased credentials to non-contract employees or to contract covered employees with the approval of the labor union.
21. May utilize the employee performance evaluation system and process in force as of fiscal year 2003 until July 2005.

[DAS General Services Enterprise/Information Technology Enterprise--related]

22. May purchase goods and services outside General Services Enterprise (GSE) contracts provided the charter agency can document the cost benefit. Charter agencies purchasing Information Technology Enterprise (ITE) services independently must document that the purchase complies with ITE enterprise technical standards. Charter agencies will periodically report on the nature and value of these goods and services to DAS. Charter agencies will pay the Iowa Code-required one (1) percent purchase fee.
23. May sell or lease capital assets and retain proceeds and may utilize the GSE as an agent in the sale of capital assets.
24. May make their travel arrangements directly with vendors, with appropriate audit-worthy documentation.

25. May, with appropriate audit-worthy documentation, use sole source contracts.
26. May, through addendum, extend contracts beyond the current allowable renewal term.
27. Implement and enforce contract “liquidated damages” clauses.
28. Utilize streamlined contracting requirements for capital projects.
29. May work closely with GSE to implement design and construction work on capital projects.

[DAS State Accounting Enterprise-related]

30. Are required to initial the “batch sheet” (only) as part of the pre-audit process.
31. Utilize a simplified procurement card “coding” system that does not require coding of purchases at the detailed expenditure (objective) level when the bill is paid.
32. Are no longer required to file travel claims when expenses are paid by an outside entity.
33. Are exempted from the requirement to submit pre-contract questionnaires for contracts valued at less than \$1,000.
34. Are exempted from the requirement to submit pre-contract questionnaires for corporate or governmental vendors, provided that information on the questionnaire is still obtained to meet audit requirements.

Additional Terms and Conditions

1. The Director will have the ability to use operational funds for training and travel within the existing budget to promote achievement of goals and projects.
2. The Director will not be restricted by current state guidelines regarding employee recognition. The Director will be able to recognize/reward individuals and/or teams for their significant contributions toward the achievement of goals and projects.
3. The Director will have the ability to pursue collaborative partnering opportunities with outside agencies that benefit the operation of the Department of Human Services and the State of Iowa.
4. DHS, contingent upon receiving the benefits and flexibilities identified above, commits to generating \$1 million in FY05 by reducing operating costs and/or increasing revenues.

5. This Charter Agency Agreement may be amended by mutual agreement of the parties at any time.

Dated this ____ day of _____, 2005.

Thomas J. Vilsack
Governor

Kevin Concannon
Director, Department of Human Services